

Imperialism and Revolution

Episode #21



Imperialism and Revolution
Episode #21

Machado and the promise of reform
January 9, 2020
By Charles McKelvey

In the last three episodes of *Imperialism and Revolution*, we have seen that the Republic of Cuba was characterized by U.S. economic penetration and political influence, which in the early 1920s led to insufficient satisfaction of the needs of the people, giving rise to a multi-racial movement of workers and students inspired by the Russian Revolution and influenced by the thought of Karl Marx. Today we continue the story of the Cuban neocolonial republic and its internal conflicts of interests.

In the presidential elections of 1924, Gerardo Machado launched a strong campaign full of promises of reform, such as more scrupulous management of public funds; respect for the Constitution and for public opinion; the limitation of the presidency to one term; recognition of the autonomy of the university from the government; the raising of workers' salaries; and the protection of national industry through tariffs and other measures. The campaign rhetoric of Machado was a departure from the traditional electoral language, and it represented the aspirations of the petit bourgeoisie as well as the sector of the national

bourgeoisie connected to national industry. His candidacy enjoyed the support of ample social sectors.

Machado had extensive ties with the North American financial oligarchy, including the National City Bank that had successfully penetrated Cuba during the financial crisis of 1920-1921. He also had strong ties with Spanish large-scale merchants in Cuba and with the Cuban political class that had emerged to dominate the republic in the period 1902 to 1924. His governing strategy was to support the interests of all of these elite sectors as well as popular demands. Seeking to stabilize sugar prices, he imposed restrictions on sugar production, and he attempted to induce the sugar-producing nations in Europe and Japan to also set limits on sugar production. In order to protect Cuban sugar producers from losing land to the large U.S. sugar companies in Cuba, he established temporary restrictions on the development of new sugar plantations and processing plants. With the intention of stimulating employment, which was especially high during the sugar production down time, the Machado government initiated an extensive program of public works, using funds borrowed from the Chase National Bank of New York. The public works plan included the construction of the Central Highway, the National Capitol building, schools, hospitals, aqueducts, and a sewer system.

In 1927, the Machado government enacted a tariff reform, with the intention of diversifying industry and agriculture. The reform was moderate, seeking to protect certain branches of Cuban production without challenging fundamental U.S. interests in Cuba. The areas of Cuban production that benefitted included coffee, beer, cornmeal, butter, cheese, cement, matches, fans, starch, furniture, soap, paper, sausage, chocolates, sweets, footwear, lime, putty, bricks, clay tile, straw hats, cigarettes, rope, and bottles. The tariffs also protected industries that had not yet emerged in Cuba, including textile manufacturing; petroleum refining; and the manufacture of paints, tires, and chemical and pharmaceutical products.

Some U.S. companies were able to take advantage of the new tariff regulations to establish factories in Cuba in branches of production that had not yet been developed or to establish control of Cuban production in a protected sector. For example, U.S. companies developed factories in Cuba for the manufacture of paints and pharmaceutical products; Colgate-Palmolive signed an agreement that enabled it to control the production of soap and a line of perfume products in Cuba; and Esso Standard Oil developed a petroleum refinery in Cuba.

The Machado plan did not succeed. World sugar producers did not participate in the control of production, generating a new situation of overproduction and lower prices. The USA reacted to the fall in sugar prices by reducing its purchase of Cuban sugar, in accordance with the interests of U.S. sugar producers. Thus, Cuban income from sugar production declined significantly during 1927 and 1928. And the protection of national industry and agriculture provided by the Machado plan was not sufficient to generate significant expansion and diversity in production.

The Machado government from the outset encountered popular opposition, in spite of his promise of reform. In reaction to the popular movement, Machado turned to repression, including assassinations, imprisonment, and deportations of leaders in worker and student organizations. In addition, Machado engaged in political and legal maneuverings to ensure his reelection to a second six-year term as the only candidate on the ballot. The university administration supported the Machado campaign of repression, expelling students who were involved in the popular movement. Meanwhile, the major newspapers sought to generate popular sentiment against the movement, maintaining that, due to the pernicious influence of foreign anarchists, the movement was engaging in terrorist acts.

The Machado plan may appear to be a progressive win-win proposal, but its design was flawed, reflecting Machado's ties to elite sectors. A plan to satisfy both popular demands and the elite can succeed only in favorable moments, as for example, when the national income generated by sugar is high. The neocolonial relation, structurally designed to extract profits from unequal exchange and from the superexploitation of labor, places inherent limits on the satisfaction of popular demands. As a result, the long-term satisfaction of popular needs requires fundamental structural change in the neocolonial relation, which, however, invariably provokes the political reaction of elites with an economic interest in

protecting their privileges. Accordingly, the protection of the social and economic rights of the people requires the political will to mobilize the people, so that the people can take political power and make the necessary structural changes by and for themselves, in accordance with their interests. The Machado reformist plan did not include structural change nor the political empowerment of the people, and it engaged in brutal repression against movement leaders and activists with such proposals.

The failure of the Machado reform in Cuba is consistent with global patterns. Projects seeking reform of the neocolonial world-system as a whole also failed; such as FDR's vision for a more equitable post-World War II world-system; or the developmentalist project of the Latin American industrial bourgeoisie; or JFK's Alliance for Progress; or Jimmy Carter's vision of conducting of U.S. foreign policy in accordance with the principle of human rights. These reforms proposed changes that, if fully implemented, would have adversely effected the interests of elite actors, including the U.S. government, U.S. corporations, and the estate bourgeoisie of the neocolonies; but the proponents of these reforms, perhaps not fully understanding the radical structural implications of their reform proposals, lacked the political will for the forging of a popular mobilization that would promote and defend the project of change by taking political power from elites, which increasingly have demonstrated determination to preserve their privileges that result from neocolonial structures.

The long-term and sustainable satisfaction of popular needs in the world-system requires breaking the exploitative economic relation between the global North and South, and establishing structures that facilitate the autonomous development of each nation, supported by mutually beneficial trade among nations. The global elite has demonstrated since 1980 its refusal to accept such change, thereby demonstrating the need for the taking control of states by the people. This has been and continuous to be the national and international project of the Cuban Revolution since 1959. And it has been the project of the Sandinista Revolution in Nicaragua, the Bolivarian Revolution in Venezuela, the Movement toward Socialist in Bolivia, and the Citizen Revolution in Ecuador.

This is Charles McKelvey, speaking from Cuba, the heart and soul of a global socialist revolution that struggles for a more just, democratic, and sustainable world.

Sources

Arboleya, Jesús. 2008. *La Revolución del Otro Mundo: Un análisis histórico de la Revolución Cubana*. La Habana: Editorial de Ciencias Sociales.

Instituto de Historia de Cuba (IHC). 1998. *La neocolonia*. La Habana: Editora Política.

<https://www.radiohc.cu/en/de-interes/caleidoscopio/211540-imperialism-and-revolution-episode-21>



Radio Habana Cuba